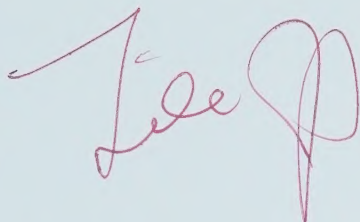


1964

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1964



# DOME MINES LIMITED

## Report to Shareholders

For the Financial Year Ended December 31

**1 9 6 4**

Including Copies of the Reports of

**SIGMA MINES (QUEBEC) LIMITED**

(NO PERSONAL LIABILITY)

and

**CAMPBELL RED LAKE MINES LIMITED**

FOR THE SAME PERIOD



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# **DOME MINES LIMITED**

## **Report to Shareholders**

For the Financial Year Ended December 31

**1964**

### **ANNUAL MEETING OF SHAREHOLDERS**

will be held  
at 11 o'clock a.m. (Toronto time)  
Monday, April 26, 1965,  
Library, Royal York Hotel,  
TORONTO, ONTARIO

To Canadian Shareholders:

It is the view of the management of the Company that Canadian shareholders are entitled to a depletion allowance of 20% of the dividends received by them from the Company during the year 1964 pursuant to Section 11 of the Income Tax Act and the Income Tax Regulations.



# Dome Mines Limited

(Incorporated under the laws of Canada)

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## LOCATION OF MINE AND HEAD OFFICE

South Porcupine, Ont.  
Canada

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## ADDRESS OF THE CHAIRMAN OF THE BOARD

42 Wall Street, New York 5, N.Y.

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## ADDRESS OF THE PRESIDENT

360 Bay Street, Suite 702, Toronto 1, Ont.

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## ADDRESS OF THE SECRETARY

36 Toronto Street, Toronto 1, Ont.

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## REGISTRARS

Canada Permanent Trust Company  
253 Bay Street, Toronto 1, Ont.  
Bankers Trust Company, 16 Wall Street, New York 15, N.Y.

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## TRANSFER AGENTS

Crown Trust Company, 302 Bay Street, Toronto 1, Ont.  
Empire Trust Company, 20 Broad Street, New York 5, N.Y.

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## AUDITORS

Clarkson, Gordon & Co. — Toronto 1, Ont.

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## VICE-PRESIDENT AND GENERAL MANAGER

Charles P. Girdwood

---

## GENERAL SUPERINTENDENT — South Porcupine

Arthur D. Robinson

---

## DOMEXPLORATION (CANADA) LIMITED

360 Bay Street, Suite 702, Toronto 1, Ont.

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## GENERAL COUNSEL

Fasken, Calvin, MacKenzie, Williston & Swackhamer  
36 Toronto Street, Toronto 1, Ont.

# DIRECTORS

Clifford W. Michel .....	New York, N.Y.
F. Warren Pershing .....	New York, N.Y.
Henry C. Brunie .....	New York, N.Y.
A. Bruce Matthews .....	Toronto, Ont.
James B. Redpath .....	Toronto, Ont.
William F. James .....	Toronto, Ont.
William R. Biggs .....	New York, N.Y.
Allen T. Lambert .....	Toronto, Ont.
Bryce R. MacKenzie .....	Toronto, Ont.

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# OFFICERS

Clifford W. Michel

Chairman of the Board and Treasurer

J. B. Redpath

President

C. P. Girdwood

Vice-President and General Manager

B. R. MacKenzie

Secretary

H. H. Buttermann

Assistant Secretary

F. M. Fell

Assistant Secretary

H. W. Macdonell

Assistant Treasurer

A. D. Robinson

General Superintendent

J. H. Stovel

Consultant

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It is recorded here that it is the intention of the present management to solicit proxies. The form of proxy and the proxy statement will accompany the Notice of Annual Meeting which is being mailed to all shareholders.

## COMPARATIVE SUMMARY

	Parent Company	
	1964	1963
Tonnage Milled .....	714,500	714,800
Ounces Gold Produced .....	177,594	175,048
Average Price of Gold per ounce .....	\$37.76	\$37.75
Value of Bullion .....	\$ 6,760,881	\$ 6,656,616
Operating Costs .....	\$ 6,157,702	\$ 6,060,086
Net Income .....	\$ 2,554,827	\$ 2,435,826
Net Income per share .....	\$1.31	\$1.25
Current Assets .....	\$14,141,507	\$13,713,329
Current Liabilities .....	\$ 1,254,012	\$ 1,326,439
Working Capital .....	\$12,887,495	\$12,386,890
Investments (at book value) .....	\$ 7,681,963	\$ 7,296,001
Number of Shareholders — December 31 .....	6,066	5,991
Dividends Declared .....	\$ 1,752,001	\$ 1,557,335
Dividends declared per share .....	\$0.90	\$0.80
Shares issued .....	1,946,668	1,946,668
<hr/>		
Sigma Mines (Quebec) Limited (63% owned by Dome)		
Net Income .....	\$ 393,301	\$ 494,009
Campbell Red Lake Mines Limited (57% owned by Dome)		
Net Income .....	\$ 2,404,507	\$ 2,364,637



REPORT OF THE DIRECTORS

of

# Dome Mines Limited

(For the Financial Year Ended December 31, 1964)

Toronto, Ontario,  
March 1, 1965.

To the Shareholders of  
Dome Mines Limited:

On behalf of your Directors, the Chairman and President are pleased to submit their joint report covering the financial year ended December 31, 1964. To illustrate financially the scope of our total operations, this Report for the first time includes the Balance Sheet and Statements of Income and Surplus which consolidate your Company's interests in its subsidiaries, Campbell Red Lake Mines Limited and Sigma Mines (Quebec) Limited. It also contains a Consolidated Statement of Source and Application of Funds, which we believe you will find informative. In order to compare with previous Annual Reports, it includes, as heretofore, the parent Company's Balance Sheet and Statements of Income and Surplus together with the new Statement of Source and Application of Funds, all certified by the Auditors of the Company. As in the past, our Report also includes the Report of the General Manager and the Report of the President of Dome Exploration (Canada) Limited, our exploration subsidiary.

In brief, the Consolidated Accounts, in contrast to the parent Company accounts, reflect the Company's equity in the earnings of our subsidiaries over and above the dividends paid by these subsidiaries to us. Thus the Consolidated Net Income for 1964 aggregated \$2,842,929 as contrasted to the parent Company's net income of \$2,554,827. Similarly, the Consolidated Balance Sheet combines all the assets and liabilities of the three companies. These, you will note, total \$39,734,051 on a Consolidated basis as compared with \$29,596,444 for the parent Company.

Dealing with the parent Company only, the gross production was 177,594 ounces of gold as compared with 175,048 ounces in 1963. Operating profit was slightly higher at \$1,056,742, while Other Income improved modestly to \$2,073,085. After income taxes of \$575,000 net income was \$2,554,827 or \$1.31 per share as compared with \$1.25 per share in 1963. From these profits dividends aggregating 90¢ per share were declared during the year, an increase of 10¢ per share over 1963.

The parent Company net income reached its highest level in twenty years. From our statements you will note that the major source of our income is dividends from our subsidiaries, thus consolidation of financial statements presents a more comprehensive picture of our total operations. Our operations at the parent mine, and at Sigma, were benefited from increased payments received under the Emergency Gold Mining Assistance Act, which Act the Federal Government has extended until December 31, 1967. The outlook for 1965 is for no material change in the level of operating profit as the Canadian dollar appears to be stabilized at a discount of about 7% in relation to the United States dollar, which discount controls the internal buying price for gold.

The financial position of the parent Company improved in 1964. At the year-end the Net Excess of Current Assets over Current Liabilities, based on cost which is less than market, increased to \$12,887,000, a gain of \$500,000. On the Consolidated Balance Sheet this Excess was \$19,663,000 at the year-end. Not included with Current Assets but shown under Investments is our holding in shares and debentures of Mattagami Lake Mines Limited which had a year-end market value of \$8,385,000 in contrast with a book value of \$832,301.

The Annual Reports of our two major subsidiaries, Campbell Red Lake Mines Limited and Sigma Mines (Quebec) Limited, are attached to this Report. The dividends from Campbell provide the major source of other income to the parent. Campbell's earnings, with no benefit from Cost Aid, reached a record high of \$2,404,507, up from \$2,364,637. The net income of Sigma declined approximately \$100,000 to \$393,301, due mainly to additional costs for shaft sinking. The shares of Campbell, which stand on our books at \$1,332,000, had a market value of \$53,347,000 based on the 1964 closing bid price on the Toronto Stock Exchange. Comparable figures for our holdings in Sigma were a book cost of \$732,000 and a market value of \$3,722,000.

Our affiliate, Dome Petroleum Limited, enjoyed the most successful year in its history. Gross income increased 13% to \$6,811,464 and net income, after all charges including depreciation and depletion but before



non-recurring profits, increased 16% to \$3,184,636. Our investment in the shares, which stands on our books at \$1,088,000, had a market value of \$8,196,000 based on the 1964 closing bid price on the Toronto Stock Exchange.

Mineral exploration on a Canada-wide basis was carried out in conjunction with Campbell and Sigma under the agreement which went into effect in January, 1959. Details of the year's activities are reviewed on page seventeen.

Previous mention has been made of your Company's equity in Mattagami Lake Mines Limited. This company completed its first full year of production with the milling rate being increased from 3,300 to 3,800 tons per day during the year. This investment stems directly from our participation in mineral exploration. Our interest in Canada Tungsten Mining Corporation Ltd. also results from exploration. The milling plant of this company was reactivated in the fourth quarter of the year.

With no substantial change in the price of gold received from the Royal Canadian Mint, the amounts received under the Emergency Gold Mining Assistance Act become even more important than before in moderating the increasing costs brought on by higher cost of supplies, wages and increased sales taxes. In making the benefits of E.G.M.A. available, the Federal Government acknowledges the beneficial part played by both gold mining and the whole mining industry in the economy of the country.

The British Sterling crisis in November last year, the continuing balance of payment deficits of the United States, and finally the demand by the French Government early this year that the major financial powers settle their international deficits in gold, bring into focus two fundamental facts. First is the reaffirmation that gold is the "ultimate international reserve asset" for settling international balances. Second, there is clearly a shortage of monetary reserves, acceptable to all members of the International Monetary Fund, to finance a world trade that is growing at an average rate well in excess of 5% per annum. While the United States dollar has been widely accepted as a supplemental reserve to gold, this supplemental reserve loses its strength as the gold reserves of the United States decline, which they have done by more than 30% since their post-war peak. Unless the United States can promptly correct its balance of payment deficit, the system by which world trade has been financed since the end of the war will become impaired. Notwithstanding the efforts of the United States to do this, a liquidity problem will still remain unless there is a renewed willingness on the part of "surplus" nations to hold increasing amounts of dollars. It occurs to us that a proper solution could best be devised through the International Monetary Fund by which the price of gold would be increased by mutual agreement among the principal trading nations of the world and those nations which hold substantial amounts of gold.

It is a pleasure for your Directors to record their appreciation of the planning and direction of the management and staff and to thank all employees for their efforts in increasing the efficiency of the operation.

Respectfully submitted,

On behalf of the Board,

CLIFFORD W. MICHEL,  
Chairman.

JAMES B. REDPATH,  
President.

# D O M E M I N E

(Incorporated under the laws of the State of Nevada)  
and its subsidiaries

## BALANCE SHEETS

(with comparative figures for 1963)

### ASSETS

	Parent Company		Consolidated	
	1964	1963	1964	1963
<b>Current Assets:</b>				
Cash, including bank term deposits .....	\$ 4,102,870	\$ 4,408,035	\$ 5,528,126	\$ 5,800,982
Bullion on hand and in transit, at net realizable value .....	333,176	383,539	642,458	878,604
Short term commercial paper, at cost .....	4,111,623	4,199,768	7,284,956	8,160,255
Marketable securities (schedule attached) (note 2) .....	4,737,516	3,845,378	8,439,281	6,354,693
Accounts receivable —				
Dividends receivable from subsidiary companies .....	462,722	462,722		
Other (including accrued interest and estimated amount receivable under the Emergency Gold Mining Assistance Act) .....	393,600	413,887	647,563	703,000
	<u>\$14,141,507</u>	<u>\$13,713,329</u>	<u>\$22,542,384</u>	<u>\$21,897,534</u>
<b>Investments (schedule attached) (note 2):</b>				
Subsidiary companies .....	2,088,359	2,088,359		
Other .....	5,593,604	5,207,642	\$ 5,636,205	\$ 5,230,243
	<u>\$ 7,681,963</u>	<u>\$ 7,296,001</u>	<u>\$ 5,636,205</u>	<u>\$ 5,230,243</u>
<b>Capital Assets:</b>				
Buildings, machinery and equipment, substantially at cost .....	\$ 6,491,340	\$ 6,409,115	\$16,861,138	\$16,569,073
Less accumulated depreciation .....	5,950,032	5,772,506	15,153,804	14,599,097
	<u>\$ 541,308</u>	<u>\$ 636,609</u>	<u>\$ 1,707,334</u>	<u>\$ 1,969,976</u>
Mining claims and properties, substantially at cost (No deduction has been made for ores mined) .....	6,360,264	6,360,264	7,627,068	7,602,849
	<u>\$ 6,901,572</u>	<u>\$ 6,996,873</u>	<u>\$ 9,334,402</u>	<u>\$ 9,572,825</u>
<b>Other Assets:</b>				
Mining and milling supplies, at cost .....	\$ 802,185	\$ 793,474	\$ 1,873,025	\$ 1,736,238
Deposits and prepaid expenses .....	69,217	76,368	114,834	127,327
Non-current accounts receivable .....			233,201	207,621
	<u>\$ 871,402</u>	<u>\$ 869,842</u>	<u>\$ 2,221,060</u>	<u>\$ 2,071,186</u>
	<u>\$29,596,444</u>	<u>\$28,876,045</u>	<u>\$39,734,051</u>	<u>\$38,771,788</u>

(See accompanying notes to financial statements)



# S LIMITED

(In accordance with the laws of Canada)  
(In accordance with the laws of the companies)

DECEMBER 31, 1964

(December 31, 1963)

## LIABILITIES

	Parent Company		Consolidated	
	1964	1963	1964	1963
<b>Current Liabilities:</b>				
Salaries and wages payable .....	\$ 228,043	\$ 217,362	\$ 391,231	\$ 386,729
Accounts payable .....	155,424	309,364	415,273	534,278
Accrued charges .....	81,033	132,258	170,944	218,301
Accrued taxes .....	205,512	278,121	980,681	1,307,608
Dividends payable .....	584,000	389,334	921,197	726,531
	<u>\$ 1,254,012</u>	<u>\$ 1,326,439</u>	<u>\$ 2,879,326</u>	<u>\$ 3,173,447</u>
Deferred Income Taxes .....	\$ 75,000	\$ 85,000	\$ 214,000	\$ 258,500
Minority Interest in Subsidiary Companies			\$ 4,108,088	\$ 3,898,132
<b>Capital and Surplus:</b>				
Capital —				
Authorized:				
2,000,000 shares of no nominal or par value				
Issued:				
1,946,668 shares .....	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000
Paid-in surplus .....	3,606,389	3,606,389	3,606,389	3,606,389
Earned surplus — appropriated as reserve for contingencies, securities, etc. ....	2,354,708	2,354,708	2,354,708	2,354,708
Earned surplus — unappropriated .....	15,306,335	14,503,509	19,571,540	18,480,612
	<u>\$28,267,432</u>	<u>\$27,464,606</u>	<u>\$32,532,637</u>	<u>\$31,441,709</u>
On behalf of the Board:				
J. B. REDPATH, Director.				
B. R. MacKENZIE, Director.				
	<u>\$29,596,444</u>	<u>\$28,876,045</u>	<u>\$39,734,051</u>	<u>\$38,771,788</u>

(financial statements)



# Dome Mines Limited

and its subsidiary companies

## STATEMENTS OF INCOME FOR THE YEAR ENDED DECEMBER 31, 1964 (with comparative figures for the year 1963)

	Parent Company		Consolidated	
	1964	1963	1964	1963
<b>Revenue:</b>				
Bullion	\$6,760,881	\$6,656,616	\$16,058,976	\$15,915,901
<b>Expenditures:</b>				
Development	\$1,289,201	\$1,114,169	\$ 2,439,790	\$ 2,449,549
Shaft sinking		70,311	242,753	70,311
Mining	3,561,752	3,626,047	5,806,458	5,744,188
Reduction	870,881	815,840	1,901,666	1,802,401
Refining and marketing	54,942	54,489	128,758	122,376
General and administrative	337,123	337,699	764,311	791,634
Taxes other than income	43,803	41,531	100,513	96,436
	\$6,157,702	\$6,060,086	\$11,384,249	\$11,076,895
Less credit under the Emergency Gold Mining Assistance Act	915,000	865,000	1,336,000	1,286,000
	\$5,242,702	\$5,195,086	\$10,048,249	\$ 9,790,895
	\$1,518,179	\$1,461,530	\$ 6,010,727	\$ 6,125,006
<b>Deduct:</b>				
Provision for depreciation	\$ 193,523	\$ 207,427	\$ 582,323	\$ 605,772
Provision for tax under Provincial Mining Tax Acts	72,000	68,000	383,500	384,700
Outside exploration expenses	195,914	163,944	285,943	240,946
	\$ 461,437	\$ 439,371	\$ 1,251,766	\$ 1,231,418
Operating profit	\$1,056,742	\$1,022,159	\$ 4,758,961	\$ 4,893,588
<b>Add other income:</b>				
Dividends from subsidiary companies	\$1,322,713	\$1,237,584		
Other dividends	115,185	93,260	\$ 115,185	\$ 93,260
Interest, etc.	635,187	592,823	963,276	909,040
	\$2,073,085	\$1,923,667	\$ 1,078,461	\$ 1,002,300
Income before provision for income taxes	\$3,129,827	\$2,945,826	\$ 5,837,422	\$ 5,895,888
Provision for income taxes	575,000	510,000	1,807,500	1,839,000
	\$2,554,827	\$2,435,826	\$ 4,029,922	\$ 4,056,888
Minority interest in income of partially-owned subsidiary companies			1,186,993	1,207,464
Net income for the year	\$2,554,827	\$2,435,826	\$ 2,842,929	\$ 2,849,424

(See accompanying notes to financial statements)

# Dome Mines Limited

and its subsidiary companies

## STATEMENTS OF SURPLUS FOR THE YEAR ENDED DECEMBER 31, 1964 (with comparative figures for the year 1963)

	Parent Company		Consolidated	
	1964	1963	1964	1963
<b>Paid-in surplus:</b>				
Balance December 31 .....	\$ 3,606,389	\$ 3,606,389	\$ 3,606,389	\$ 3,606,389
<b>Earned surplus appropriated as reserve for contingencies, securities, etc.:</b>				
Balance December 31 .....	\$ 2,354,708	\$ 2,354,708	\$ 2,354,708	\$ 2,354,708
<b>Earned surplus unappropriated:</b>				
Balance January 1 .....	\$14,503,509	\$13,911,957	\$18,480,612	\$17,475,462
Add net income for the year .....	2,554,827	2,435,826	2,842,929	2,849,424
	\$17,058,336	\$16,347,783	\$21,323,541	\$20,324,886
<b>Deduct:</b>				
Dividends declared of 90¢ per share comprising four quarterly dividends of 20¢ each and an extra dividend of 10¢ (1963 total — 80¢ per share) .....	\$ 1,752,001	\$ 1,557,335	\$ 1,752,001	\$ 1,557,335
Capital losses on disposal or write down of investments (net) .....		286,939		286,939
	\$ 1,752,001	\$ 1,844,274	\$ 1,752,001	\$ 1,844,274
Balance December 31 .....	\$15,306,335	\$14,503,509	\$19,571,540	\$18,480,612

## STATEMENTS OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED DECEMBER 31, 1964 (with comparative figures for the year 1963)

	Parent Company		Consolidated	
	1964	1963	1964	1963
<b>Source of funds:</b>				
Net income for year .....	\$ 2,554,827	\$ 2,435,826	\$ 2,842,929	\$ 2,849,424
Depreciation .....	193,523	207,427	582,323	605,772
Increase of minority interest in subsidiary companies .....			209,956	295,280
Total .....	\$ 2,748,350	\$ 2,643,253	\$ 3,635,208	\$ 3,750,476
<b>Application of funds:</b>				
Dividends .....	\$ 1,752,001	\$ 1,557,335	\$ 1,752,001	\$ 1,557,335
Expenditures on capital assets (net) .....	98,222	134,246	343,900	471,382
Increase (decrease) in investments in other companies (net) .....	385,962	(529,762)	405,962	(535,762)
Increase (decrease) in other assets .....	1,560	(15,218)	149,874	(23,272)
Decrease in deferred income taxes .....	10,000	5,000	44,500	14,500
Total .....	\$ 2,247,745	\$ 1,151,601	\$ 2,696,237	\$ 1,484,183
Net increase in working capital for year .....	\$ 500,605	\$ 1,491,652	\$ 938,971	\$ 2,266,293
Working capital, January 1 .....	12,386,890	10,895,238	18,724,087	16,457,794
Working capital, December 31 .....	\$12,887,495	\$12,386,890	\$19,663,058	\$18,724,087

(See accompanying notes to financial statements)

# Dome Mines Limited

and its subsidiary companies

## SCHEDULE OF MARKETABLE SECURITIES AND INVESTMENTS

DECEMBER 31, 1964

(with comparative figures at December 31, 1963)

	Par value or number of shares	Book value (note 2)	
		1964	1963
<b>Marketable Securities:</b>			
Parent company —			
Government and government guaranteed short term securities (\$1,800,000 par value in 1963) .....	\$2,700,000	\$2,660,563	\$1,768,425
Kerr Addison Mines Limited .....	10,000	54,243	54,243
Cities Service Company \$2.25 cumulative convertible preference stock .....	44,000	2,022,710	2,022,710
		\$4,737,516	\$3,845,378
Subsidiary companies —			
Government and government guaranteed short term securities (\$2,550,000 par value in 1963) .....	\$3,750,000	3,701,765	2,509,315
Consolidated .....		\$8,439,281	\$6,354,693
(Quoted market values of above "Marketable Securities": 1964 — parent company \$6,174,000, consolidated \$9,873,000; 1963 — parent company \$4,550,000, consolidated \$7,037,000)			
<b>Subsidiary Companies:</b>			
Parent company —			
Campbell Red Lake Mines Limited (57% owned) .....	2,270,105	\$1,331,595	\$1,331,595
Sigma Mines (Quebec) Limited (63% owned) .....	625,536	731,764	731,764
Dome Exploration (Canada) Limited (100% owned) .....	250	25,000	25,000
Total .....		\$2,088,359	\$2,088,359
<b>Other Investments:</b>			
Parent company —			
Anglo Norness Shipping Company Limited: 5½% Convertible Promissory Note, due December 31, 1971 .....	U.S.\$2,500,000	\$2,619,532	\$2,619,532
Dome Petroleum Limited: Shares .....	465,000	1,088,125	1,088,125
Canada Tungsten Mining Corporation Ltd.: 6% promissory note .....	\$ 145,200 }	534,337	534,337
6% income debentures due December 31, 1971 .....	\$ 389,136 }		
Shares .....	698,164 }		
Mattagami Lake Mines Limited: 6% income debentures due April 30, 1975 .....	\$ 832,300 }	832,301	832,301
Shares .....	366,192 }		
Sundry .....		519,309	133,347
		\$5,593,604	\$5,207,642
Subsidiary companies —			
Local school and municipal debentures (\$22,600 par value in 1963) .....	\$ 42,600	42,600	22,600
Sundry .....		1	1
Consolidated .....		\$5,636,205	\$5,230,243
(Quoted market values of above "Other Investments", including notes and debentures at their par value: 1964 — parent company \$21,258,000, consolidated \$21,339,000; 1963 — parent company \$15,732,000, consolidated \$15,788,000)			

(See accompanying notes to financial statements)



# Dome Mines Limited

and its subsidiary companies



## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1964

1. The consolidated financial statements include the accounts of the wholly-owned subsidiary, Dome Exploration (Canada) Limited, and the two partially-owned subsidiaries, Campbell Red Lake Mines Limited (57% owned) and Sigma Mines (Quebec) Limited (63% owned).
2. Marketable securities and investments are carried at cost except for (a) shares acquired as a result of development work (which are carried at nominal values), and (b) certain other investments which are carried at cost less amounts written off.
3. Dome has guaranteed (to the extent of \$217,800) bank borrowings of one of the companies in which it has an investment interest.
4. Remuneration of the company's directors, legal advisers and executive officers (including amounts paid by subsidiary companies) in 1964 totalled \$40,700, \$21,100 and \$61,700 respectively.

## AUDITORS' REPORT

To the Shareholders of  
Dome Mines Limited:

We have examined the balance sheets of Dome Mines Limited, parent Company, and of Dome Mines Limited and its subsidiary companies consolidated, as at December 31, 1964 and the related statements of income, surplus and source and application of funds for the year then ended and have obtained all of the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying balance sheets and statements of income, surplus and source and application of funds present fairly the financial position of Dome Mines Limited and of that Company and its subsidiary companies consolidated, as at December 31, 1964, the results of their operations and the sources and applications of funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,  
February 19, 1965.

CLARKSON, GORDON & CO.,  
Chartered Accountants.

# Dome Mines Limited

## REPORT OF THE GENERAL MANAGER

To the Chairman of the Board, President and Directors:

I submit for your consideration this report on the operations of your Company during the year 1964.

During the year 714,500 tons of ore were treated in the mill. In the course of mining operations 73,800 tons of waste rock were excavated, most of which was deposited in the old open pit.

The 714,500 tons of ore milled yielded 177,594 ounces of gold, the yield being 0.2486 ounces, or 4.97 dwt. per ton.

All grades of ore will be expressed in pennyweights (dwt.) throughout this report. One pennyweight equals one-twentieth ( $1/20$ th) of an ounce Troy weight. The price paid by the Royal Canadian Mint is based on \$35.00 per ounce United States funds and settlements are made in equivalent Canadian funds at current exchange rates. The average price received for gold was \$37.76 per ounce compared to \$37.75 per ounce for the previous year.

### COSTS:

The expenditure on development was \$1,289,201 or \$1.80 per ton as compared with \$1,184,480 or \$1.66 per ton milled in 1963.

An enlarged development program, particularly at No. 7 shaft, and additional diamond drilling from surface, were mainly responsible for this increase.

The expenditure on mining was \$3,561,752 or \$4.99 per ton as compared with \$3,626,047 or \$5.07 per ton milled in 1963.

The total operating charges for the year were \$6,157,702 or \$8.62 per ton as compared with \$6,060,086 or \$8.48 per ton milled in 1963.

The operating cost per ounce of gold produced was \$34.67 as compared with \$34.62 in 1963.

DEVELOPMENT:

SUMMARY OF DEVELOPMENT FOOTAGE BY LEVELS FOR YEAR 1964

Level	Drifts	Cross-cuts	Drift and Crosscut Slab	Raises	Boxholes	Raise and Boxhole Slab	Totals	Diamond Drilling (Exploration & Direction of Mining)
Surface.....								9,426
1st.....								
2nd.....								
3rd.....	261		33				294	1,532
4th.....								
5th.....	188		25				213	
6th.....								
7th.....								1,266
8th.....	30		18				48	5,271
9th.....	36	290	32	166	127	85	736	1,755
10th.....	1,315	705	95		26	14	2,155	2,188
11th.....				132	13	43	188	4,633
12th.....	1,049	20	160	300	78	166	1,773	8,333
13th.....	428	137	156	166	165	106	1,158	2,677
14th.....	1,081	926	177	422	142	109	2,857	3,777
15th.....	429	103	67	196	647	447	1,889	234
16th.....	117	156	43		165	99	580	1,722
17th.....	245	417	36	48	28	10	784	5,531
18th.....	116	57	107	442	115	176	1,013	2,171
19th.....	773	410	146	512	356	264	2,461	1,288
20th.....	103	105	18		171	177	574	1,376
21st.....	147	131	6				284	1,592
22nd.....	343	289	33	160			825	2,755
23rd.....			1		27	14	42	724
24th.....	218		39	96	141	120	614	6,047
25th.....	674	98	62	63	194	95	1,186	6,566
26th.....	557	38	76	9	26	10	716	475
27th.....	1,675	370	83	846	43	123	3,140	4,266
28th.....								
29th.....	1,038	261	58	305	38	30	1,730	9,142
30th.....								
31st.....								
32nd.....								1,769
33rd.....	80		14				94	
34th.....	4,545	558	186	72	25	19	5,405	24,848
35th.....								
TOTALS.....	15,448	5,071	1,671	3,935	2,527	2,107	30,759	111,364

Development work amounted to 30,759 feet which compares with 27,189 feet in the previous year. Development work below the sixteenth level was 18,868 feet as compared with 17,698 feet in the previous year. The total of 111,364 feet of core diamond drilling includes 9,426 feet from surface and compares with the total of 105,760 feet in 1963.



# MINING:

The 714,500 tons of ore milled during the year were produced as follows:

	Tons	Average Grade Dwt. per Ton
From stopes .....	591,800	5.51
From development .....	122,700	3.25
	<u>714,500</u>	<u>5.12</u>

The following tabulation is presented to indicate the sections of the mine from which the ore came:

Source of Ore	Tons	Average Grade Dwt. per Ton	
8th level to surface, No. 3 shaft .....	23,530	3.69	Dev. & Stope Ore
9th level to 16th level, No. 3 shaft .....	356,370	5.68	Dev. & Stope Ore
Area serviced by No. 6 internal shaft ....	308,955	4.75	Dev. & Stope Ore
Area serviced by No. 7 internal shaft ....	25,645	3.20	Development Ore
Total Mine .....	<u>714,500</u>	<u>5.12</u>	Dev. & Stope Ore
Ore from Ankerite veins .....	163,454	4.23	Dev. & Stope Ore
(included in the above)			

# ORE RESERVES:

Ore reserves at the close of the year were estimated at 2,350,000 tons with an average grade of 5.33 dwt. as compared with 2,405,000 tons with an average grade of 5.25 dwt. for 1963.

	Tons — 1964	Tons — 1963
Unbroken ore .....	2,124,000	2,181,000
Broken ore .....	226,000	224,000
	<u>2,350,000</u>	<u>2,405,000</u>

Ankerite ore comprises 41% of the reserves. This ore is more refractory to the milling process than the normal ore in the mine.

# MILL:

Following are the milling results:

Tons of ore treated .....	714,500 tons
Average tons per day worked .....	1,985 tons
Average grade of ore treated .....	5.12 dwt. per ton
Recovery .....	4.97 dwt. per ton
Recovery percentage .....	97.03%

# CAPITAL EXPENDITURE:

The details of changes in plant buildings and equipment are as follows:

Additions:	
Mine equipment .....	\$ 40,794
Reduction equipment .....	19,895
Surface equipment .....	38,136
	<u>\$ 98,825</u>
Less retirements .....	16,600
Net increase .....	<u>\$ 82,225</u>

# GENERAL:

Net Income continued its rise of recent years due to revenue from investments and at \$2,554,827 was the highest in the past twenty years. Mine operations, after deducting outside exploration expenses and without the benefit of payments under the Emergency Gold Mining Assistance Act, were responsible for only \$141,742 or 5.5% of the net income.

Total and unit operating costs increased \$97,616 and 14¢ per ton respectively due to increased wage rates, abnormal labour turnover, higher prices for many items of supply, additional Federal sales tax and an enlarged development program. The impact of these substantial items of cost was partially offset by further improvements in efficiency both underground and on surface. In this regard mining costs were reduced 8¢ per ton; efficiency and time studies continue to be effective mainly in the area of labour savings. Mining method is mainly cut and fill utilizing hydraulic backfill produced from mill tailings and the stopes are usually operated on a two-shift basis. Subject to grade and mining sequence requirements single shift stopes are used in selected areas with improved efficiency.

The mill treated 714,500 tons or 1,985 tons per day worked. During the summer months, tonnage was erratic and generally lower but a good final quarter raised the total for the year to a normal level. The addition of a small grinding unit, which was placed in the circuit in September, will assist greatly in smoothing out tonnage and permit the plant to operate at maximum efficiency. At times during the year, an abnormal amount of harder and more refractory ore with a high sulphide content was sent to the mill, which reduced overall recovery by 0.65%. Systematic laboratory test work has shown evidence that improvements can be made by finer grinding, more pre-aeration and additional cyanide contact time. Accordingly, two pachuca agitators are being added to the circuit. The grade of ore treated improved over the previous year which resulted in an increase of 2,546 ounces of gold and 5,228 ounces of silver, for a total increase in bullion value of \$104,265. The value of 1964 production was the highest during the past twenty-three years.

A concentrated development and diamond drilling program was undertaken on the 34th level at No. 7 shaft, which is the lowest working level at 4,628 feet from surface. Details of the work done at this horizon, together with general development throughout the mine, are summarized in the tabulation on page thirteen. Results of the depth development program are encouraging, and while tonnage in the various zones is not substantial, from the work done to date there appears to be some improvement in both width and grade of the ankerite veins. Based upon the results of this work, it is planned to extend No. 7 shaft to the limit of the present hoisting equipment; this would make available three new levels to a depth of 5,200 feet from surface. It is expected that this work will be underway before the end of 1965. The results of general development throughout the mine continue to be moderately satisfactory, although ore reserve tonnage declined by 55,000 tons. It will be noted, however, that grade of reserves again showed a small increase. This reflects further work on the new "fuschite vein" which has been opened up at No. 3 shaft between the 8th and 15th levels for a vertical distance of 1,046 feet. While the average length is less than 300 feet, grade is considerably above mine average. In the northeast portion of the property some erratic gold values close to surface were shown in the records of the old Foley O'Brien workings. During the past five years the area has been tested by diamond drilling from surface to a depth of 1,000 feet and also by underground workings and diamond drilling at the 3,900-foot horizon. Large zones of talcose rock were intersected in this work and while it did locate some areas of mineralization and alteration, no values of economic significance were encountered.

At various times during the year labour turnover was three times normal and good replacements are scarce. This situation necessitated the operation of school stopes and drifts to train new employees. While costly, results have been beneficial in productivity and safety.

The Dome Mines Pension Plan has recently been changed to conform with the Ontario Pension Benefits Act 1962-63, as amended. Since inception in 1938, 217 employees have retired on pension; as at December 31, 1964 there were 129 living pensioners located in the Porcupine area, many parts of Canada, England, Scotland, Poland, Italy and Czechoslovakia, all of whom receive a regular monthly pension cheque from Dome.

The Gold Mining Industry continues to contribute in a notable way to the well-being of the national economy, by providing a large market for secondary industry and thus stimulating a broad range of manufacturing and service industries. In this regard, each mine plays an important part, not only nationally but even more specifically with regard to the people who live in the community in which the individual operation is located. These facts are illustrated by the summary of this company's expenditures as set forth on the page immediately following.

It is pleasing to record here that the assistance and support I have enjoyed from the members of the staff, together with the contribution and loyalty of all employees, have been responsible for the orderly and effective conduct of operations at the property. I acknowledge also the support and assistance of the Chairman of the Board, the President and the Directors.

Respectfully submitted,

South Porcupine, Ontario,  
February 23, 1965.

CHARLES P. GIRDWOOD,  
General Manager.

# Dome Mines Limited

Total amount of wages and salaries .....	\$3,901,138
Total supplies and services (excluding employee benefits) .....	2,301,426
Income taxes .....	575,000
Other taxes (Provincial and Municipal) .....	116,582
Workmen's Compensation Board of Ontario Assessments .....	234,005
Unemployment Insurance .....	35,642
Cost of Pension Plan, Group Life Insurance, Sick Pay, Medical Plan and other employee benefits ..	198,786

## Principal Cities and Towns in Canada which Benefit

Acton	Downsview	Kingston	Ottawa	Scarborough
Ajax	Dryden	Kirkland Lake	Owen Sound	Schumacher
Amos	Dundas	Kitchener	Peterborough	Senneterre
Ansonville	Dunnville	Lachine	Plessisville	Sherbrooke
Balmertown	Edmonton	Lachute	Pointe Claire	Shillington
Bancroft	Elliot Lake	LaSalle	Porcupine	Sorel
Beachville	Enderby	Leaside	Port Arthur	South Porcupine
Belleville	Etobicoke	London	Port Elgin	Staynerville
Bourlamaque			Port Hope	Stratford
Bowmanville	Fort Erie	Maitland	Preston	Sudbury
Brampton	Fredericton	Matheson	Princeton	Swastika
Brantford		Merritt	Quebec	Thornbury
Burlington	Galt	Montreal	Red Lake	Timmins
Calgary	Gananoque	Moonbeam	Rexdale	Toronto
Chaput-Hughes	Guelph	New Liskeard	Rouyn	Val d'Or
Clarkson	Haileybury	Newmarket	Roxboro	Vancouver
Cobalt	Hamilton	New Westminster	St. Boniface	Victoria
Cochrane	Hope	Niagara Falls	St. Catharines	Walkerville
Cooksville	Hull	Nobel	St. Jovite Station	Waterloo
Copper Cliff	Huntsville	Noranda	St. Thomas	Welland
Cornwall	Ingersoll	North Bay	Sarnia	Weston
Don Mills	Iroquois Falls	Oakville	Saskatoon	Willowdale
Dorval	Joliette	Orangeville	Sault Ste. Marie	Winnipeg
		Orillia		

## Number of Communities, Companies and Individuals through whom Supplies and Services are Purchased

	Communities	Companies and Individuals
Alberta .....	2	5
British Columbia .....	7	15
Manitoba .....	2	4
New Brunswick .....	1	1
Ontario .....	78	490
Quebec .....	22	80
Saskatchewan .....	1	4
United States of America .....	13	17
Great Britain .....	2	3
Ireland .....	5	7
	<u>133</u>	<u>626</u>



# Dome Exploration (Canada) Limited

(Incorporated under the laws of Canada)

## REPORT OF THE PRESIDENT

Toronto, Ontario,  
March 2, 1965.

To the Chairman of the Board and Directors of  
Dome Mines Limited:

During the year under review, 121 properties and exploration proposals were brought to the attention of the Company. Twenty-four properties were examined.

As approved at the Annual Meeting of Dome Mines Limited in April, 1959, all new exploration ventures entered into for a period of five years after January 1, 1959, and thereafter on a yearly basis, are shared with the subsidiary companies, Campbell Red Lake Mines Limited and Sigma Mines (Quebec) Limited. In the following notes the various exploration endeavours will be designated as "joint" to signify the subsidiaries' participation.

### QUEBEC:

Your Company completed magnetic and electromagnetic surveys on a group of claims in the eastern Mattagami area. Two holes were drilled and showed that the anomaly was caused by barren sulphides and graphite. This was a "joint" venture.

Company prospectors staked an interesting anomaly in northwestern Quebec. This was drilled and was found to be caused by massive barren sulphides and graphite. This was a "joint" venture.

Your Company explored a group of claims lying north of the Mistassini area. Nothing of economic interest was discovered. This was a "joint" venture.

Your Company participated with others in a detailed geophysical and drilling program on a group of claims staked last year in the Ungava area. The copper mineralization was found to be of limited vertical extent. In addition, general prospecting was carried out in the area. This was a "joint" venture.

For several years your Company has taken a 45% participation in an exploration venture in southern Quebec. Clinton Copper Mines Limited has now been formed to take over the claims containing several small copper deposits which are of sub-marginal grade at present metal prices. This is a "joint" venture.

Your Company also participated in a large scale reconnaissance geophysical survey in southern Quebec. Anomalies obtained did not justify further work. This was a "joint" venture.

### ONTARIO:

Your Company participated in the Ivanhoe Syndicate. A large area west of Timmins was flown with airborne magnetometer and electromagnetic equipment which resulted in the staking of 399 claims. Numerous anomalies were checked on the ground and the better ones were drilled. Several of the anomalies were caused by sulphides, but none of the sulphides were of ore grade material. Work will continue in 1965. This is a "joint" venture.

A participation was also taken in two projects covering areas lying to the northeast of Timmins. One project holds 157 claims and the other 55 claims. In both cases diamond drilling will follow the completion of ground based geophysics. This is a "joint" venture.

Your Company participated in optioning a group of twenty-two claims in Ben Nevis Township. Six holes were drilled to investigate a showing containing small amounts of argentiferous galena. Results obtained warrant additional work in 1965. This is a "joint" venture.

Your Company continued its participation with others in the exploration of the Robin Red Lake Mines Limited ground in the Red Lake mining district. A drive extending 370 feet into Robin from the 23rd level of Dickenson Mines Limited has shown a zone 70 feet in length having a grade of 0.84 oz. of gold per ton over drift width. Work continues.

#### BRITISH COLUMBIA:

Your Company participated with others in the optioning of a group of claims in the Princeton district in 1963. Additional geochemical work, an induced polarization survey, and bulldozer trenching were done in 1964. Very low grade copper mineralization in large zones of disseminated pyrite was uncovered, but nothing of economic interest was found. This was a "joint" venture.

#### GENERAL:

Other exploration activities were as follows:

Exploration and prospecting ventures either on its own or in participation with others in Quebec, Ontario, Saskatchewan and the Cordilleran regions of the West.

In addition, minor participations were taken in prospecting grubstakes organized by individual prospectors. These were "joint" ventures.

Yours faithfully,

J. B. REDPATH,  
President.

# **SIGMA MINES (QUEBEC) LIMITED**

(No Personal Liability)

## **Report to Shareholders**

For the Financial Year Ended December 31

**1964**



# SIGMA MINES (QUEBEC) LIMITED

(No Personal Liability)

(Incorporated under the laws of Quebec)

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## HEAD OFFICE AND LOCATION OF MINE

Township of Bourlamaque, County of Abitibi, Province of Quebec  
(Post Office: Bourlamaque, Quebec, Canada)

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## ADDRESS OF THE CHAIRMAN OF THE BOARD

42 Wall Street, New York 5, N.Y.

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## ADDRESS OF THE PRESIDENT

360 Bay Street, Suite 702, Toronto 1, Ont.

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## ADDRESS OF THE SECRETARY

36 Toronto Street, Toronto 1, Ont.

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## REGISTRAR AND TRANSFER AGENT

Canada Permanent Trust Company  
253 Bay Street, Toronto, and 350 Notre Dame Street West, Montreal

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## DIRECTORS

Clifford W. Michel .....	New York, N.Y.
Hector Authier .....	Montreal, Que.
Louis Brochu .....	Montreal, Que.
James B. Redpath .....	Toronto, Ont.
Frank J. O'Connell .....	Bourlamaque, Que.
Bryce R. MacKenzie .....	Toronto, Ont.
Fraser M. Fell .....	Toronto, Ont.

## OFFICERS

Chairman of the Board .....	Clifford W. Michel
President .....	J. B. Redpath
Secretary .....	B. R. MacKenzie
Assistant Secretary .....	F. M. Fell
General Manager .....	F. J. O'Connell
Assistant General Manager .....	Geo. E. Peacock

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## AUDITORS

Clarkson, Gordon & Co., Toronto 1, Ontario

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## GENERAL COUNSEL

Fasken, Calvin, MacKenzie, Williston & Swackhamer  
36 Toronto Street, Toronto 1, Ontario

## COMPARATIVE SUMMARY

	1964	1963
Tonnage Milled .....	439,134	423,058
Ounces Gold Produced .....	77,849	77,714
Average Price of Gold per ounce .....	\$37.74	\$37.75
Value of Bullion .....	\$2,958,615	\$2,955,811
Operating Costs .....	\$2,736,258	\$2,530,695
Net Income .....	\$ 393,301	\$ 494,009
Net Income per share .....	\$0.39	\$0.49
Current Assets .....	\$2,547,246	\$2,499,961
Current Liabilities .....	\$ 469,277	\$ 557,221
Working Capital .....	\$2,077,969	\$1,942,740
Number of Shareholders — December 31 .....	762	965
Dividends Declared .....	\$ 300,000	\$ 300,000
Dividends declared per share .....	\$0.30	\$0.30
Shares issued .....	1,000,000	1,000,000

REPORT OF THE DIRECTORS

of

# Sigma Mines (Quebec) Limited

(No Personal Liability)

(For the Financial Year Ended December 31, 1964)



Toronto, Ontario,  
March 3, 1965.

To the Shareholders of  
Sigma Mines (Quebec) Limited  
(No Personal Liability):

Your Directors herewith submit the Company's Balance Sheet and Statements of Income and Earned Surplus certified by the Auditors of the Company, and the Report of the General Manager, covering the financial year ended December 31, 1964.

The gross production for 1964 was 77,849 ounces of gold as compared with 77,714 ounces for 1963.

The operating profit before deducting depreciation, tax under the Quebec Mining Act, outside exploration expenses and provision for income taxes was \$643,357. The non-operating revenue amounted to \$82,187. These combined gave a total of \$725,544. Depreciation amounted to \$209,069. Outside exploration expenses amounted to \$32,174 leaving profits of \$484,301 before Federal and Provincial taxes. After providing \$91,000 for such taxes, the net income amounted to \$393,301 as compared with \$494,009 a year ago. Dividends totalling \$300,000 were declared during the year.

Ore reserves stand at 1,394,230 tons, a slight increase over the preceding year.

The plant operated at full capacity and the tonnage milled was higher than in any previous year.

Production for the year was sold to the Royal Canadian Mint at an average price of \$37.74 and on this production an additional \$5.41 per ounce was received under the Emergency Gold Mining Assistance Act. Thus, the return for the year, including Emergency Gold Mining Assistance benefits, was \$43.15 per ounce as compared with \$43.17 in 1963.

The cost of operation was increased due principally to the shaft deepening program which was in progress for eight months of the year. The increased cost resulted in decreased net income for the year.



The shaft deepening, planned for completion in March 1965, will permit the investigation of the ore potentialities of the lower horizons of the mine down to a depth of approximately 5,000 feet.

The Emergency Gold Mining Assistance Act continues to be a real help in the maintenance of steady operations with its aid in partially offsetting the effect of higher wages, higher cost of supplies and increased sales taxes.

The Company continued to participate to the extent of 10% with Dome Mines Limited in a number of prospecting ventures, details of which appear on page twelve of this report.

With regard to our product, gold, the following paragraph is quoted from the annual report of the parent company, Dome Mines Limited:

"The British Sterling crisis in November last year, the continuing balance of payment deficits of the United States, and finally the demand by the French Government early this year that the major financial powers settle their international deficits in gold, bring into focus two fundamental facts. First is the reaffirmation that gold is the "ultimate international reserve asset" for settling international balances. Second, there is clearly a shortage of monetary reserves, acceptable to all members of the International Monetary Fund, to finance a world trade that is growing at an average rate well in excess of 5% per annum. While the United States dollar has been widely accepted as a supplemental reserve to gold, this supplemental reserve loses its strength as the gold reserves of the United States decline, which they have done by more than 30% since their post-war peak. Unless the United States can promptly correct its balance of payment deficit, the system by which world trade has been financed since the end of the war will become impaired. Notwithstanding the efforts of the United States to do this, a liquidity problem will still remain unless there is a renewed willingness on the part of "surplus" nations to hold increasing amounts of dollars. It occurs to us that a proper solution could best be devised through the International Monetary Fund by which the price of gold would be increased by mutual agreement among the principal trading nations of the world and those nations which hold substantial amounts of gold.

Your Directors take pleasure in expressing their appreciation of the efficient services rendered during the year by the management and operating staff and for the continued loyal service which all employees render to the Company.

Respectfully submitted,

On behalf of the Board,

CLIFFORD W. MICHEL,  
Chairman.

JAMES B. REDPATH,  
President.

# SIGMA MINES (Q

(No Personal  
(Incorporated under

## BALANCE SHEET, (with comparative figures

ASSETS		1964	1963
<b>Current Assets:</b>			
Cash, including bank term deposits		\$ 665,037	\$ 540,659
Bullion on hand and in transit, at net realizable value		124,769	164,280
Short term commercial paper, at cost		595,718	697,920
Government bonds, at cost (quoted market value 1964 — \$970,000)		992,975	893,225
Accounts receivable (including accrued interest and estimated amount receivable under the Emergency Gold Mining Assistance Act)		168,747	203,877
		<u>\$2,547,246</u>	<u>\$2,499,961</u>
<b>Capital Assets:</b>			
Buildings, machinery and equipment, at cost		\$4,034,261	\$3,949,215
Less accumulated depreciation		3,476,462	3,277,803
		<u>\$ 557,799</u>	<u>\$ 671,412</u>
Mining claims and properties —			
Acquired for 400,000 shares, issued at		\$ 400,000	\$ 400,000
Other properties, at cost (No deduction has been made for ores mined)		61,500	61,500
		<u>\$ 461,500</u>	<u>\$ 461,500</u>
Leasehold properties		\$ 21,500	\$ 21,500
		<u>\$1,040,799</u>	<u>\$1,154,412</u>
<b>Other Assets:</b>			
Mining and milling supplies, at cost		\$ 423,889	\$ 385,375
Prepaid expenses		14,819	16,148
		<u>\$ 438,708</u>	<u>\$ 401,523</u>
		<u>\$4,026,753</u>	<u>\$4,055,896</u>

AUDITORS'

To the Shareholders of  
Sigma Mines (Quebec) Limited:

We have examined the balance sheet of Sigma Mines (Quebec) Limited as at December 31, 1964 and the related statements of income, earned surplus and source and application of funds for the year then ended and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

# QUEBEC) LIMITED

liability)

the laws of Quebec)

DECEMBER 31, 1964

(December 31, 1963)

## LIABILITIES

	1964	1963
<b>Current Liabilities:</b>		
Salaries and wages payable .....	\$ 97,127	\$ 101,835
Accounts payable .....	121,007	95,689
Accrued charges .....	40,119	36,921
Accrued taxes .....	61,024	172,776
Dividend payable .....	150,000	150,000
	<u>\$ 469,277</u>	<u>\$ 557,221</u>
<b>Deferred Income Taxes</b> .....	<u>\$ 96,000</u>	<u>\$ 130,500</u>
 <b>Capital and Surplus:</b>		
Capital authorized and issued —		
1,000,000 shares of \$1 par value .....	\$1,000,000	\$1,000,000
Earned surplus .....	2,461,476	2,368,175
	<u>\$3,461,476</u>	<u>\$3,368,175</u>
 On behalf of the Board:		
 J. B. REDPATH, Director.		
 B. R. MacKENZIE, Director.		
	<u>\$4,026,753</u>	<u>\$4,055,896</u>

## REPORT

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet and statements of income, earned surplus and source and application of funds present fairly the financial position of Sigma Mines (Quebec) Limited as at December 31, 1964, the results of its operations and the sources and applications of funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,  
February 19, 1965.

CLARKSON, GORDON & CO.,  
Chartered Accountants.



# Sigma Mines (Quebec) Limited

(No Personal Liability)

## STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 1964 (with comparative figures for the year 1963)

	1964	1963
<b>Revenue:</b>		
Bullion .....	\$2,958,615	\$2,955,811
<b>Expenditures:</b>		
Development (including expenditures on shaft sinking 1964 — \$242,753) .....	\$ 781,164	\$ 695,257
Mining .....	1,289,031	1,195,364
Reduction .....	446,190	417,002
Refining and marketing .....	20,321	20,531
General and administrative .....	166,774	171,253
Taxes other than income .....	32,778	31,288
	<u>\$2,736,258</u>	<u>\$2,530,695</u>
Less credit under the Emergency Gold Mining Assistance Act .....	421,000	421,000
	<u>\$2,315,258</u>	<u>\$2,109,695</u>
	<u>\$ 643,357</u>	<u>\$ 846,116</u>
<b>Deduct:</b>		
Provision for depreciation .....	\$ 209,069	\$ 194,460
Provision for tax under the Quebec Mining Act .....	18,500	26,700
Outside exploration expenses .....	32,174	21,712
	<u>\$ 259,743</u>	<u>\$ 242,872</u>
Operating profit .....	\$ 383,614	\$ 603,244
Add interest earned, etc. ....	82,187	81,765
Income before provision for income taxes .....	\$ 465,801	\$ 685,009
Provision for income taxes .....	72,500	191,000
Net income for the year .....	<u>\$ 393,301</u>	<u>\$ 494,009</u>

## STATEMENT OF EARNED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 1964 (with comparative figures for the year 1963)

	1964	1963
Balance January 1 .....	\$2,368,175	\$2,174,166
Add net income for the year .....	393,301	494,009
	<u>\$2,761,476</u>	<u>\$2,668,175</u>
Deduct dividends declared — 30¢ per share .....	300,000	300,000
Balance December 31 .....	<u>\$2,461,476</u>	<u>\$2,368,175</u>

# Sigma Mines (Quebec) Limited

(No Personal Liability)

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED DECEMBER 31, 1964 (with comparative figures for the year 1963)

Source of funds:	1964	1963
Net income for year .....	\$ 393,301	\$ 494,009
Depreciation .....	209,069	194,460
Total .....	<u>\$ 602,370</u>	<u>\$ 688,469</u>
Application of funds:		
Dividends .....	\$ 300,000	\$ 300,000
Expenditures on capital assets (net) .....	95,456	114,453
Increase in other assets .....	37,185	37,434
Decrease in deferred income taxes .....	34,500	14,500
Total .....	<u>\$ 467,141</u>	<u>\$ 466,387</u>
Net increase in working capital for year .....	\$ 135,229	\$ 222,082
Working capital, January 1 .....	1,942,740	1,720,658
Working capital, December 31 .....	<u><u>\$2,077,969</u></u>	<u><u>\$1,942,740</u></u>

## REPORT OF THE GENERAL MANAGER

To the Chairman of the Board, President and Directors:

The following report covering the operations of your Company during the year 1964 is submitted for your consideration.

During the year 502,759 tons of rock were hoisted, of which 439,134 tons were ore which was treated in the mill and 63,625 tons were waste.

The 439,134 tons of ore milled yielded bullion containing 77,849 ounces of gold, the average yield being 0.1773 ounces or 3.55 pennyweights per ton. All grades of ore will be expressed in pennyweights (dwt.) throughout this report. One pennyweight equals one-twentieth (1/20th) of an ounce Troy weight. The price paid by the Royal Canadian Mint is based on \$35.00 per ounce United States funds and settlements are made in equivalent Canadian funds at current exchange rates. The average price received for gold was \$37.74 per ounce compared with \$37.75 per ounce for the previous year.

### MINING:

Broken ore totalling 499,930 tons remains in the stopes and in drifts as a result of stope preparation, a decrease of 24,670 tons from the previous year.

In all 408,161 tons of a grade of 3.82 dwt. were drawn from the stopes and were sent to the mill. This represents an increase of 29,026 tons from the previous year.

Waste rock produced amounted to 75,119 tons of which 11,494 tons were dumped directly into empty stopes, and 63,625 tons were hoisted to surface. Waste backfill returned through raises from surface amounted to 17,234 tons and 122,166 tons of hydraulic backfill were piped underground.

The main stoping operations were between the 24th level and the 8th level; 30.7 per cent of production came from cut and fill stopes between the 24th level and the 17th level.

# SIGMA MINES (QUEBEC) LIMITED

(NO PERSONAL LIABILITY)

## DEVELOPMENT:

A total of 19,750 feet of development work was done during the year. The greater part of this work was distributed between the 11th and 30th levels.

Development of the lower levels served by No. 3 Internal Shaft was curtailed in early April to permit change-over of the friction hoist to sinking service. Preparation for shaft sinking was completed by May 1st, and deepening of the shaft was started. By the year end the bottom 36th level (4,985 ft.) was reached and the sinking program was 88 per cent completed. When finished, No. 3 Shaft will give access to a total of twelve operating levels.

Diamond drilling totalling 49,676.5 feet was done in search for new ore and as a guide to mining.

The following table shows the details of development and diamond drilling completed during the year:

**SUMMARY OF DEVELOPMENT FOOTAGE BY LEVELS FOR YEAR 1964**

Level	Shafts	Stations	Drifts	Crosscuts	Raises	Slash	Total	Diamond Drilling
2nd					191	8	199	
7th								3,232.0
8th			60			9	69	
9th					77		77	
10th				63		10	73	3,026.0
11th			210	45	52	23	330	773.0
12th			359		35	7	401	397.0
13th			234		147	23	404	
14th			835			46	881	
15th			1,485	496	33	92	2,106	7,825.0
16th			79		67	12	158	
17th			557	104	21	79	761	4,549.0
18th			819	44	181	28	1,072	4,351.5
19th			1,576	43	592	127	2,338	7,786.0
20th			1,727	390	832	203	3,152	1,747.0
21st			739	78	188	59	1,064	
22nd			259	84	567	41	951	674.0
23rd			805	72	172	144	1,193	
24th			559	74	297	68	998	406.0
25th			266	25		32	323	9,716.0
26th			129		243	6	378	1,346.0
27th			416			17	433	
28th			538			23	561	
29th			315			7	322	1,523.0
30th			275		171	9	455	2,325.0
31st		31					31	
32nd		76					76	
33rd		71					71	
34th		68					68	
35th		76					76	
36th		10					10	
No. 3 Shaft	719						719	
Totals	719	332	12,242	1,518	3,866	1,073	19,750	49,676.5

## ORE PRODUCTION:

The mine produced 439,134 tons of ore during the year which averaged 3.72 dwt. The stopes produced 408,161 tons averaging 3.82 dwt. and the development work produced 30,973 tons averaging 2.50 dwt.



**ORE RESERVES:**

The ore reserves are estimated at 1,394,230 tons, an increase of 49,230 tons from last year. The reserves include 499,930 tons of broken ore.

A summary of the distribution of ore in place, broken ore and total ore mined to the end of 1964 is as follows:

**SUMMARY OF ORE RESERVES AND EXTRACTION BY LEVELS**

	Tons Ore In Place	Average Grade (Dwt. per ton)	Tons Broken Ore	Total Tons Ore Extracted From Stopes to End of 1964
Surface to 1st Level.....	5,000	4.81	-----	30,918
1st Level to 2nd Level.....	-----	-----	-----	493,191
2nd Level to 3rd Level.....	-----	-----	-----	1,021,610
3rd Level to 4th Level.....	-----	-----	-----	962,589
4th Level to 5th Level.....	-----	-----	1,140	813,543
5th Level to 6th Level.....	-----	-----	-----	790,696
6th Level to 7th Level.....	-----	-----	530	736,296
7th Level to 8th Level.....	2,000	4.38	12,950	800,631
8th Level to 9th Level.....	-----	-----	49,770	610,459
9th Level to 10th Level.....	18,100	4.11	48,080	353,581
10th Level to 11th Level.....	15,000	4.31	58,890	325,650
11th Level to 12th Level.....	28,900	3.53	110,090	336,467
12th Level to 13th Level.....	32,900	4.44	69,490	250,126
13th Level to 14th Level.....	75,100	5.06	30,800	183,562
14th Level to 15th Level.....	65,900	5.23	20,300	133,516
15th Level to 16th Level.....	9,600	4.21	42,890	366,432
16th Level to 17th Level.....	25,500	3.99	6,960	311,201
17th Level to 18th Level.....	126,200	4.67	22,240	175,580
18th Level to 19th Level.....	91,600	4.00	550	20,781
19th Level to 20th Level.....	26,200	3.73	5,260	97,797
20th Level to 21st Level.....	51,000	4.48	-----	6,121
21st Level to 22nd Level.....	71,000	4.76	16,130	52,850
22nd Level to 23rd Level.....	88,100	4.64	1,350	85,485
23rd Level to 24th Level.....	33,600	4.77	2,510	178,234
24th Level to 25th Level.....	19,800	4.59	-----	-----
25th Level to 26th Level.....	16,900	4.46	-----	-----
26th Level to 27th Level.....	21,800	3.90	-----	-----
27th Level to 28th Level.....	21,900	4.21	-----	-----
28th Level to 29th Level.....	36,900	4.79	-----	-----
29th Level to 30th Level.....	11,300	4.63	-----	-----
	894,300	4.55	499,930	9,137,316

**MILL:**

The following are the results of milling operations for the year 1964:

Average daily tons milled .....	1,200
Tons of ore treated .....	439,134
Average grade of ore treated .....	3.72 dwt. per ton
Recovery .....	3.55 dwt. per ton
Recovery percentage .....	95.24%

**COSTS:**

The expenditure on mining was \$1,289,031 or \$2.94 per ton milled.

The expenditure on development (including shaft sinking) was \$781,164 or \$1.78 per ton milled.

The operating costs including Mint handling charges were \$6.23 per ton milled, as compared with \$5.98 for the previous year.

**CAPITAL EXPENDITURES:**

Net capital expenditures for the year totalled \$85,046. The main expenditures were for the purchase of equipment for the deepening of No. 3 Shaft, slusher hoists for underground, and a spare armature for the main hoist motor; spare parts and stand-by equipment for the mill; a new powder magazine and an addition to the change house on surface, replacement of a truck and the purchase of a stand-by transformer for the main substation.

The details of changes in the plant and equipment are as follows:

## Additions:

Mine equipment .....	\$ 62,201
Reduction equipment .....	10,995
Surface equipment .....	30,193
	<u>\$ 103,389</u>
Less retirements .....	18,343
Net increase .....	<u>\$ 85,046</u>

**GAMMA MINES (QUEBEC) LIMITED:**

This property was optioned to Sigma in December, 1939. The option is still in force. The development work completed during the year is shown in detail as follows:

Development:	Year	Total to Date
Drifts .....	449.0	1,127.0
Crosscuts .....	—	438.0
Raises .....	—	333.0
Slash .....	32.0	213.6
Diamond Drill Stations .....	—	8.0
	<u>481.0</u>	<u>2,119.6</u>
Diamond Drilling:	Year	Total to Date
Surface .....	—	33,531.0
Underground .....	—	12,350.5
	<u>—</u>	<u>45,881.5</u>

The 1816 West (2) Drift (18th level) was extended for a distance of sixty-five feet into the Gamma property, following a shear and porphyry dyke with associated quartz stringers. This advance showed only scattered values which would average below ore grade.

The 1882 West Drift (18th level) was extended for a distance of three hundred and eighty-four feet into the Gamma property, following a porphyry dyke with associated quartz stringers. This advance showed two short ore sections which averaged 3.87 dwt. over a width of 7.3 feet, for a total length of eighty-five feet.

**EXPLORATION:**

Through joint participation in the exploration program of the parent company, Dome Mines Limited, your Company continued its 10% interest in the following:

**Quebec:**

The completion of magnetic and electromagnetic surveys on a group of claims in the eastern Mattagami area. A strong anomaly was diamond drilled and disclosed barren sulphides and graphite.

The staking and subsequent investigation by geophysics and diamond drilling of an interesting anomalous area in northwestern Quebec. Massive barren sulphides were found to be the cause of the anomaly.

The exploration of a group of claims lying north of the Mistassini area. Nothing of economic interest was discovered.

A participation with others in a detailed geophysical and drilling program on a group of claims staked last year in the Ungava area. The copper mineralization was found to be of limited vertical extent. In addition, general prospecting was carried out in the area.

A small participation in an exploration venture in southern Quebec. Clinton Copper Mines Limited has now been formed to take over the claims containing several small copper deposits which are of submarginal grade at present metal prices.

A participation in a large scale reconnaissance geophysical survey in southern Quebec. Anomalies obtained did not justify further work.

#### **Ontario:**

A participation in the Ivanhoe Syndicate. A large area west of Timmins was flown with airborne magnetometer and electromagnetic equipment which resulted in the staking of 399 claims. Numerous anomalies were checked on the ground and the better ones were drilled. Several of the anomalies were caused by sulphides but none of the sulphides were of ore grade material. Work will continue in 1965.

A participation was also taken in two projects covering areas lying to the northeast of Timmins. One project holds 157 claims and the other 55 claims. In both cases diamond drilling will follow the completion of ground geophysics.

A participation in the optioning of a group of twenty-two claims in Ben Nevis Township. Six holes were drilled to investigate a showing containing small amounts of argentiferous galena. Results obtained warrant additional work in 1965.

#### **British Columbia:**

A participation with others in the optioning of a group of claims in the Princeton district in 1963. Additional geochemical work, an induced polarization survey, and bulldozer trenching were done in 1964. Very low grade copper mineralization in large zones of disseminated pyrite was uncovered, but nothing of economic interest was found.

#### **General:**

Other exploration activities in which your Company shared were minor participations in prospecting grubstakes organized by individual prospectors.

#### **GENERAL:**

Operating costs increased by reason of shaft sinking, higher material costs and a slightly higher proportion of production from cut and fill stopes.

Although the mill operated at reduced tonnage for a period of six days while the rod mill shell was replaced, the tonnage milled was greater than in any previous year.

On February 1st the collective bargaining agreement with Le Syndicat des Employes de Sigma Mines (Quebec) Limited was renewed for a further period of three years. Wage rates were increased at that time. The working force remained stable and the number of employees was the same as in the previous year.

Appended to this report is a table setting forth the communities in which purchases were made, wages and salaries and distribution of taxes.

In conclusion, my sincere thanks and appreciation are extended to Mr. George E. Peacock, Assistant General Manager, to the heads of the various departments and to all members of the operating staff for their efficiency and loyalty

Yours faithfully,

Bourlamaque, Quebec,  
March 1, 1965.

F. J. O'CONNELL,  
General Manager.



# Sigma Mines (Quebec) Limited

(No Personal Liability)

Total supplies and services .....	\$1,344,518
Total amount of wages and salaries .....	1,574,909
Income taxes .....	72,500
Other taxes (Provincial and Municipal) .....	51,278

## PRINCIPAL CITIES AND TOWNS IN CANADA WHICH BENEFIT

Amos	Kirkland Lake	Port Hope
Arnprior	Kitchener	Quebec
Belleville	Lachine	Rexdale
Beloeil	Leaside	Rouyn
Bourlamaque	London	Sault Ste. Marie
Brampton	Louiseville	Scarborough
Brantford	Malartic	Sorel
Burlington	Montreal	St. Catharines
Cap-de-la-Madeleine	New Liskeard	St. Johns
Cobalt	Noranda	Sudbury
Cooksville	North Bay	Swastika
Don Mills	Oakville	Thornbury
Dundas	Orillia	Timmins
Elliot Lake	Oshawa	Toronto
Galt	Ottawa	Val d'Or
Guelph	Owen Sound	Welland
Haileybury	Peterborough	Weston
Hamilton	Port Arthur	Winnipeg

## NUMBER OF COMMUNITIES, COMPANIES AND INDIVIDUALS THROUGH WHOM SUPPLIES AND SERVICES ARE PURCHASED

	Communities	Companies and Individuals
Quebec .....	14	198
Ontario .....	39	146
Manitoba .....	1	1
United States of America .....	4	4
	<u>58</u>	<u>349</u>

# CAMPBELL RED LAKE MINES LIMITED

## Report to Shareholders

For the Financial Year Ended December 31

**1964**

# CAMPBELL RED LAKE MINES LIMITED

(Incorporated under the laws of Ontario)

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## LOCATION OF MINE

Township of Balmer, Red Lake Mining Division, Province of Ontario  
(Post Office: Balmertown, Ontario, Canada)

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## ADDRESS OF THE CHAIRMAN OF THE BOARD

42 Wall Street, New York 5, N.Y.

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## HEAD OFFICE AND ADDRESS OF THE PRESIDENT

360 Bay Street, Suite 702, Toronto 1, Ont.

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## ADDRESS OF THE SECRETARY

36 Toronto Street, Toronto 1, Ont.

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## REGISTRARS

Canada Permanent Trust Company  
253 Bay Street, Toronto 1, Ont.  
Bankers Trust Company, 16 Wall Street, New York 15, N.Y.

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## TRANSFER AGENTS

The Sterling Trusts Corporation, 372 Bay Street, Toronto 1, Ont.  
Empire Trust Company, 20 Broad Street, New York 5, N.Y.

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## DIRECTORS

Clifford W. Michel	New York, N.Y.
William F. James	Toronto, Ont.
John K. McCausland	Toronto, Ont.
James B. Redpath	Toronto, Ont.
Bryce R. MacKenzie	Toronto, Ont.

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## OFFICERS

Chairman of the Board	Clifford W. Michel
President	J. B. Redpath
Secretary	B. R. MacKenzie
Treasurer	E. J. Andrecheck
General Manager	J. Chisholm
General Superintendent	J. M. Turner

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## AUDITORS

Clarkson, Gordon & Co., Toronto 1, Ontario

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## GENERAL COUNSEL

Fasken, Calvin, MacKenzie, Williston & Swackhamer  
36 Toronto Street, Toronto 1, Ontario

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It is recorded here that it is the intention of the present management to solicit proxies. The form of proxy and the proxy statement will accompany the Notice of Annual Meeting which is being mailed to all shareholders.

## COMPARATIVE SUMMARY

	1964	1963
Tonnage Milled .....	258,534	257,793
Ounces Gold Produced .....	166,830	166,079
Average Price of Gold per ounce .....	\$37.92	\$37.87
Value of Bullion .....	\$6,339,480	\$6,303,474
Operating Costs .....	\$2,490,289	\$2,486,114
Net Income .....	\$2,404,507	\$2,364,637
Net Income per share .....	\$0.60	\$0.59
Current Assets .....	\$6,291,353	\$6,121,966
Current Liabilities .....	\$1,618,759	\$1,752,509
Working Capital .....	\$4,672,594	\$4,369,457
Number of Shareholders — December 31 .....	4,283	4,231
Dividends Declared .....	\$1,999,750	\$1,849,768
Dividends declared per share .....	\$0.50	\$0.46¼
Shares issued .....	3,999,500	3,999,500



REPORT OF THE DIRECTORS  
of  
**Campbell Red Lake Mines Limited**

(For the Financial Year Ended December 31, 1964)

Toronto, Ontario,  
March 1, 1965.

To the Shareholders of  
Campbell Red Lake Mines Limited:

Your Directors herewith submit the Company's Balance Sheet and Statements of Income and Earned Surplus certified by the Auditors of the Company and the Report of the General Manager, covering the financial year ended December 31, 1964.

The gross production for 1964 was 166,830 ounces of gold, as compared to 166,079 ounces for 1963.

The operating profit before deducting depreciation, tax under The Mining Tax Act, outside exploration expenses and provision for taxes on income was \$3,849,191. The non-operating revenue was \$245,902. These combined gave a total of \$4,095,093. Depreciation charges, tax under The Mining Tax Act, outside exploration expenses and provision for taxes on income amounted to \$1,690,586 leaving net income of \$2,404,507 as compared to \$2,364,637 a year ago.

Regular quarterly dividends increased to 11¼¢ per share, and after considering the maintenance of profits, your Directors authorized an extra dividend of 5¢ per share. Therefore, the total dividends declared amounted to \$1,999,750 or 50¢ per share.

The tonnage milled during 1964 totalled 258,534 tons which represents an average milling rate of 706 tons per day. The yield per ton was 12.91 dwt. as compared with 12.88 dwt. in 1963.

Ore reserves showed a slight increase to 1,173,100 tons, with the ore in place showing a grade of 13.40 dwt. Development results continued to be satisfactory and is covered in detail in the General Manager's Report.

No benefits were received under the Emergency Gold Mining Assistance Act as the cost per ounce of gold produced was lower than the amount required to qualify under the Act. As your Company was not eligible for such benefits, it was possible to offer gold to markets other than the Royal Canadian Mint. The average price received on all production was \$37.92 Canadian per ounce.

The Company continued to participate to the extent of 30% with Dome Mines Limited in a number of prospecting ventures, details of which appear on page twelve of this report.

It will be noted that taxes under the Federal Income Tax Act, the Provincial Corporations Tax Act and the Ontario Mining Tax Act total \$1,453,000. This is an illustration of the direct benefit to government revenues of the establishment of a moderately sized but successful mine.

With regard to our product, gold, the following paragraph is quoted from the annual report of the parent company, Dome Mines Limited:

"The British Sterling crisis in November last year, the continuing balance of payment deficits of the United States, and finally the demand by the French Government early this year that the major financial powers settle their international deficits in gold, bring into focus two fundamental facts. First is the reaffirmation that gold is the "ultimate international reserve asset" for settling international balances. Second, there is clearly a shortage of monetary reserves, acceptable to all members of the International Monetary Fund, to finance a world trade that is growing at an average rate well in excess of 5% per annum. While the United States dollar has been widely accepted as a supplemental reserve to gold, this supplemental reserve loses its strength as the gold reserves of the United States decline, which they have done by more than 30% since their post-war peak. Unless the United States can promptly correct its balance of payment deficit, the system by which world trade has been financed since the end of the war will become impaired. Notwithstanding the efforts of the United States to do this, a liquidity problem will still remain unless there is a renewed willingness on the part of "surplus" nations to hold increasing amounts of dollars. It occurs to us that a proper solution could best be devised through the International Monetary Fund by which the price of gold would be increased by mutual agreement among the principal trading nations of the world and those nations which hold substantial amounts of gold.

Your Directors again wish to take this opportunity of expressing their appreciation to the management and operating staff for the efficient manner in which the operation was conducted throughout the year.

Respectfully submitted,

On behalf of the Board,

CLIFFORD W. MICHEL,  
Chairman.

JAMES B. REDPATH,  
President.

# CAMPBELL RED LAKE MINES LIMITED

(Incorporated under the laws of the Province of Ontario)

## BALANCE SHEET

(with comparative figures for 1963)

### ASSETS

	<u>1964</u>	<u>1963</u>
<b>Current Assets:</b>		
Cash, including bank term deposits .....	\$ 735,219	\$ 827,288
Bullion on hand and in transit, at estimated net realizable value .....	184,513	330,785
Short term commercial paper, at cost .....	2,577,615	3,262,567
Government and government guaranteed short term bonds, at cost (market value 1964 — \$2,729,000) .....	2,708,790	1,616,090
Accounts receivable (including accrued interest) .....	85,216	85,236
	<u>\$6,291,353</u>	<u>\$6,121,966</u>
<b>Capital Assets:</b>		
Buildings, machinery and equipment, at cost .....	\$6,335,537	\$6,210,743
Less accumulated depreciation .....	5,727,310	5,548,788
	<u>\$ 608,227</u>	<u>\$ 661,955</u>
Mining claims and properties — acquired for 1,277,500 shares issued at .....	197,500	197,500
(No deduction has been made for ores mined)		
Townsite land, at cost .....	114,066	89,847
	<u>\$ 919,793</u>	<u>\$ 949,302</u>
<b>Other Assets:</b>		
Sundry investments —		
Local school and municipal debentures, at cost .....	42,600	22,600
Shares of other mining companies, at cost less amounts written off .....	1	1
	<u>\$ 42,601</u>	<u>\$ 22,601</u>
Mining and milling supplies, at cost .....	646,951	557,389
Deposits and prepaid expenses .....	30,798	34,811
Non-current accounts receivable .....	233,201	207,621
	<u>\$ 953,551</u>	<u>\$ 822,422</u>
	<u>\$8,164,697</u>	<u>\$7,893,690</u>

AUDITOR'S REPORT

To the Shareholders of  
Campbell Red Lake Mines Limited:

We have examined the balance sheet of Campbell Red Lake Mines Limited as at December 31, 1964 and the related statements of income, earned surplus and source and application of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

## Laws of Ontario)

December 31, 1963)

	<u>1964</u>	<u>1963</u>
<b>Current Liabilities:</b>		
Salaries and wages payable .....	\$ 66,061	\$ 67,532
Accounts payable .....	138,842	129,225
Accrued charges .....	49,792	49,122
Accrued taxes .....	714,145	856,711
Dividend payable .....	649,919	649,919
	<u>\$1,618,759</u>	<u>\$1,752,509</u>
<b>Deferred Income Taxes .....</b>	<u>\$ 43,000</u>	<u>\$ 43,000</u>
 <b>Capital and Surplus:</b>		
Capital —		
Authorized: 4,000,000 shares of \$1 each		
Issued: 3,999,500 shares .....	\$3,999,500	\$3,999,500
Discount (net) on shares issued .....	2,378,905	2,378,905
	<u>\$1,620,595</u>	<u>\$1,620,595</u>
Earned surplus .....	4,882,343	4,477,586
	<u>6,502,938</u>	<u>6,098,181</u>
 On behalf of the Board:		
 J. B. REDPATH, Director.		
 B. R. MacKENZIE, Director.		
	<u>\$8,164,697</u>	<u>\$7,893,690</u>

DRT

In our opinion the accompanying balance sheet and statements of income, earned surplus and source and application of funds present fairly the financial position of Campbell Red Lake Mines Limited at December 31, 1964, the results of its operations and the sources and applications of funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,  
February 19, 1965.

CLARKSON, GORDON & CO.,  
Chartered Accountants.



# Campbell Red Lake Mines Limited

## STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 1964 (with comparative figures for the year 1963)

Revenue:	1964	1963
Bullion .....	\$6,339,480	\$6,303,474
Expenditures:		
Development .....	\$ 612,178	\$ 640,123
Mining .....	955,675	922,777
Reduction .....	584,595	569,559
Refining and marketing .....	53,495	47,356
General and administrative .....	260,414	282,682
Taxes other than income .....	23,932	23,617
	<u>\$2,490,289</u>	<u>\$2,486,114</u>
	<u>\$3,849,191</u>	<u>\$3,817,360</u>
Deduct:		
Provision for depreciation .....	\$ 179,731	\$ 203,885
Provision for tax under The Mining Tax Act .....	293,000	290,000
Outside exploration expenses .....	57,855	55,290
	<u>\$ 530,586</u>	<u>\$ 549,175</u>
Operating profit .....	<u>\$3,318,605</u>	<u>\$3,268,185</u>
Add interest earned, etc. ....	<u>245,902</u>	<u>234,452</u>
Income before provision for income taxes .....	<u>\$3,564,507</u>	<u>\$3,502,637</u>
Provision for income taxes .....	<u>1,160,000</u>	<u>1,138,000</u>
Net income for the year .....	<u>\$2,404,507</u>	<u>\$2,364,637</u>

### Notes:

- (1) The company received no credits during the year under the Emergency Gold Mining Assistance Act.
- (2) Directors' fees paid in 1964 totalled \$2,000.

# Campbell Red Lake Mines Limited

## STATEMENT OF EARNED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 1964 (with comparative figures for the year 1963)

	1964	1963
Balance, January 1 .....	\$4,477,586	\$3,962,717
Add net income for the year .....	2,404,507	2,364,637
	<u>\$6,882,093</u>	<u>\$6,327,354</u>
Deduct dividends declared of 50¢ per share comprising four quarterly dividends of 11¼¢ each and an extra dividend of 5¢ (1963 total — 46¼¢ per share) ....	1,999,750	1,849,768
Balance, December 31 .....	<u>\$4,882,343</u>	<u>\$4,477,586</u>

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED DECEMBER 31, 1964 (with comparative figures for the year 1963)

<b>Source of funds:</b>	1964	1963
Net income for year .....	\$2,404,507	\$2,364,637
Depreciation .....	179,731	203,885
Increase in deferred income taxes .....		5,000
Total .....	<u>\$2,584,238</u>	<u>\$2,573,522</u>
<b>Application of funds:</b>		
Dividends .....	\$1,999,750	\$1,849,768
Expenditures on capital assets (net) .....	150,222	222,683
Increase (decrease) in other assets .....	131,129	(51,488)
Total .....	<u>\$2,281,101</u>	<u>\$2,020,963</u>
Net increase in working capital for year .....	\$ 303,137	\$ 552,559
Working capital, January 1 .....	4,369,457	3,816,898
Working capital, December 31 .....	<u>\$4,672,594</u>	<u>\$4,369,457</u>

# Campbell Red Lake Mines Limited

## REPORT OF THE GENERAL MANAGER

To the Chairman of the Board, President and Directors:

The following report covering the operations of your Company during the year 1964 is submitted for your consideration.

During the year 285,915 tons were hoisted, of which 258,534 tons were ore and 27,381 tons were waste.

The 258,534 tons of ore milled yielded bullion containing 166,830 ounces of gold, the average yield being 0.6453 ounces or 12.91 pennyweights per ton. All grades of ore will be expressed in pennyweights (dwt.) throughout this report. One pennyweight equals one-twentieth (1/20th) of an ounce Troy weight. The price paid by the Royal Canadian Mint is based on \$35.00 per ounce United States funds and settlements are made in equivalent Canadian funds at the current exchange rates. Free market prices are by direct negotiation between buyer and seller. The price received on all production during the year averaged \$37.92 Canadian per ounce.

### MINING:

Broken ore totalling 245,500 tons remains in the stopes, an increase of 1,800 tons from the previous year.

In all 211,163 tons of a grade of 14.24 dwt. were drawn from the stopes and sent to the mill.

The main stoping operations were above the 11th level or 1600-foot horizon. Floor sills on the 1st and 2nd levels in the "A" Zone were partially removed. By mid-year of 1965 it is expected that 15% of stoping will be by the cut and fill method.

### DEVELOPMENT:

Development was distributed throughout the mine with emphasis on the 15th, 16th and 17th levels where drifting in the "A" Zone showed normal conditions. In addition the "A-1" Zone branches off the "A" Zone and

### SUMMARY OF DEVELOPMENT FOOTAGE BY LEVELS FOR THE YEAR 1964

Level	Drifts	Crosscuts	Raises	Slabbing	Totals	Diamond Drilling
Surface						
1st						
2nd						
3rd	55			9	64	1,108
4th	55			7	62	510
5th	55				55	244
6th	8		386	53	447	122
7th			510	323	833	1,586
8th	103		310	45	458	514
9th	116	36	263	22	437	3,370
10th	67		603	36	706	2,131
11th	449		199	54	702	2,933
12th	460		182	95	737	3,762
13th	164			37	201	3,754
14th	1,248			178	1,426	10,401
15th	2,286			336	2,622	4,680
16th	1,597			127	1,724	3,940
17th	1,048		66	130	1,244	2,254
18th	408	19	186	37	650	395
19th	421	95	179	93	788	1,696
20th	460	54	183	378	1,075	1,666
21st	314	10	188	68	580	1,254
Totals	9,314	214	3,255	2,028	14,811	46,320

has been established by drifting on the 14th, 15th, 16th and 17th levels. At the end of the year drives had intersected the "L" Zone in the 15th, 16th and 17th levels. The "G" Zone was indicated by diamond drilling on the 15th level.

The exploratory drive to the northwestern part of the property on the 14th level reached its objective at a distance of 6,600 feet from the shaft. Drifting and diamond drilling disclosed several areas containing irregular values but nothing of economic interest.

Diamond drilling totalling 46,320 feet was done as a guide to development and mining.

The table on page ten shows details of development and diamond drilling completed during the year.

#### ORE PRODUCTION:

The mine produced 258,534 tons of ore during the year which averaged 13.79 dwt. The stopes produced 211,163 tons averaging 14.24 dwt. and development work produced 47,371 tons averaging 11.80 dwt.

#### ORE RESERVES:

The ore reserves are estimated at 1,173,100 tons, an increase of 35,500 tons over last year. The ore reserves include 245,500 tons of broken ore, an increase of 1,800 tons from last year.

A summary of the distribution of ore in place, broken ore and total ore extracted from stopes to the end of 1964 is as follows:

#### SUMMARY OF ORE RESERVES AND EXTRACTION BY LEVELS

	Tons Ore in Place	Average Grade (dwt. per ton)	Tons Broken Ore	Total Tons Ore Extracted From Stopes to End of 1964
Surface to 1st Level.....	8,100	12.08	-----	245,845
1st Level to 2nd Level.....	16,800	12.00	-----	309,043
2nd Level to 3rd Level.....	31,900	10.62	7,500	293,287
3rd Level to 4th Level.....	30,000	9.67	13,600	393,480
4th Level to 5th Level.....	38,400	11.75	49,100	367,410
5th Level to 6th Level.....	68,800	15.13	41,900	372,294
6th Level to 7th Level.....	158,000	13.39	28,300	284,577
7th Level to 8th Level.....	37,800	12.33	13,100	259,624
8th Level to 9th Level.....	70,800	14.11	35,500	168,106
9th Level to 10th Level.....	34,700	13.97	50,300	77,895
10th Level to 11th Level.....	73,600	12.46	-----	13,446
11th Level to 12th Level.....	78,800	12.03	-----	17,653
12th Level to 13th Level.....	98,900	14.73	1,800	7,614
13th Level to 14th Level.....	149,200	15.25	4,400	18,632
14th Level to 15th Level.....	31,800	10.78	-----	-----
	927,600	13.40	245,500	2,828,906

Ore in Place ..... 927,600

Broken Ore ..... 245,500

1,173,100

Increase over 1963 is 35,500 tons.



## MILL:

The following are the results of milling operations:

Tons of ore treated .....	258,534 tons
Average tons per calendar day .....	706 tons
Average grade of ore treated .....	13.79 dwt. per ton
Recovery .....	12.91 dwt. per ton
Recovery percentage .....	93.56%

## COSTS:

The expenditure on mining was \$955,675 or \$3.70 per ton milled.

The expenditure on development was \$612,178 or \$2.37 per ton milled.

Operating costs (including Mint handling charges) were \$9.63 per ton milled.

## CAPITAL EXPENDITURES:

Net capital expenditures for the year amounted to \$124,794. This amount covered expenditures throughout the plant and underground. Main expenditures were for general underground equipment, crusherhouse equipment, plant gatehouse, two dwellings in the townsite for resale to employees, and an addition to the curling rink.

The details of changes in plant buildings and equipment are as follows:

### Additions:

Mine equipment .....	\$ 34,028
Reduction building and equipment .....	13,497
Surface buildings and equipment .....	78,479
	<hr/>
	\$ 126,004
Less retirements .....	1,210
	<hr/>
Net increase .....	<u>\$ 124,794</u>

## EXPLORATION:

Through joint participation in the exploration program of the parent company, Dome Mines Limited, your Company continued its 30% interest in the following:

### Quebec:

The completion of magnetic and electromagnetic surveys on a group of claims in the eastern Mattagami area. A strong anomaly was diamond drilled and disclosed barren sulphides and graphite.

The staking and subsequent investigation by geophysics and diamond drilling of an interesting anomalous area in northwestern Quebec. Massive barren sulphides were found to be the cause of the anomaly.

The exploration of a group of claims lying north of the Mistassini area. Nothing of economic interest was discovered.

A participation with others in a detailed geophysical and drilling program on a group of claims staked last year in the Ungava area. The copper mineralization was found to be of limited vertical extent. In addition, general prospecting was carried out in the area.

A small participation in an exploration venture in southern Quebec. Clinton Copper Mines Limited has now been formed to take over the claims containing several small copper deposits which are of sub-marginal grade at present metal prices.

A participation in a large scale reconnaissance geophysical survey in southern Quebec. Anomalies obtained did not justify further work.

**Ontario:**

A participation in the Ivanhoe Syndicate. A large area west of Timmins was flown with airborne magnetometer and electromagnetic equipment which resulted in the staking of 399 claims. Numerous anomalies were checked on the ground and the better ones were drilled. Several of the anomalies were caused by sulphides but none of the sulphides were of ore grade material. Work will continue in 1965.

A participation was also taken in two projects covering areas lying to the northeast of Timmins. One project holds 157 claims and the other 55 claims. In both cases diamond drilling will follow the completion of ground geophysics.

A participation in the optioning of a group of twenty-two claims in Ben Nevis Township. Six holes were drilled to investigate a showing containing small amounts of argentiferous galena. Results obtained warrant additional work in 1965.

**British Columbia:**

A participation with others in the optioning of a group of claims in the Princeton district in 1963. Additional geochemical work, an induced polarization survey, and bulldozer trenching were done in 1964. Very low grade copper mineralization in large zones of disseminated pyrite was uncovered, but nothing of economic interest was found.

**General:**

Other exploration activities in which your Company shared were minor participations in prospecting grubstakes organized by individual prospectors.

**GENERAL:**

Milling recovery showed an increase of 0.39% to 93.56% which is the greatest annual recovery so far obtained.

Costs remained static with decreases in the cost of surface diamond drilling offsetting the increases due to higher wages, improved fringe benefits and increases in Federal sales tax.

Appended to this report is a table setting forth the communities in which purchases were made, wages and salaries and distribution of taxes.

It is a pleasure to record my appreciation to Mr. J. M. Turner, General Superintendent, and to the heads of the various departments and operating staff for the loyal and efficient services rendered by them to the Company.

Yours faithfully,

J. CHISHOLM,  
General Manager.

Balmertown, Ontario,  
February 24, 1965.

# Campbell Red Lake Mines Limited



Total supplies and services .....	\$1,781,452
Total amount of wages and salaries .....	1,366,879
Income taxes .....	1,160,000
Other taxes (Provincial and Municipal) .....	316,932

## PRINCIPAL CITIES AND TOWNS IN CANADA WHICH BENEFIT

Acton	Elliot Lake	Montreal	Scarborough
Balmertown	Fort Erie	McKenzie Island	Sioux Lookout
Belleville	Fort Frances	New Liskeard	South Porcupine
Brantford	Fort William	Niagara Falls	St. Boniface
Burlington	Galt	North Bay	St. James
Calgary	Granby	Oakville	Sudbury
Clarkson	Haileybury	Orillia	Thornbury
Cochenour	Hamilton	Ottawa	Timmins
Cooksville	Islington	Owen Sound	Toronto
Don Mills	Kenora	Peterborough	Welland
Dorval	Kingston	Plattsville	Weston
Downsview	Kirkland Lake	Port Arthur	Willowdale
Dryden	Kitchener	Red Lake	Windsor
Dundas	LaSalle	Red Lake Road	Winnipeg
Ear Falls	Madsen	Rexdale	Woodstock
Edmonton	Medicine Hat	Sarnia	

## NUMBER OF COMMUNITIES, COMPANIES AND INDIVIDUALS THROUGH WHOM SUPPLIES AND SERVICES ARE PURCHASED

	Communities	Companies and Individuals
Alberta .....	3	4
Manitoba .....	3	88
Ontario .....	53	233
Quebec .....	4	27
United States of America .....	11	12
	<u>74</u>	<u>364</u>







